

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1147 - HB 980

February 23, 2013

SUMMARY OF BILL: Creates new class of limited lines business entity producer's license. Requires an owner of a self-storage facility to hold a limited lines business entity producer's license to sell coverage under a policy of self-service storage insurance. Creates various provisions governing such policies. Authorizes the Department of Commerce and Insurance (the Department) to charge up to \$1,000 for an initial self-service storage limited lines license and \$500 for a renewal. Any self-storage facility owner who violates these provisions will be fined up to \$500 for each violation, not to exceed \$5,000 in aggregate. Exempts this new class of insurer from the requirement to hold an insurance producer license. The license requirement will take effect on October 1, 2013.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$15,000/FY13-14
\$7,500/FY14-15 and Subsequent Years

Assumptions:

- According to the Department, it is estimated that 15 of these new license types will be issued, resulting in an increase in state revenue of \$15,000 in FY13-14 (15 x \$1,000).
- In FY14-15 and subsequent years, it is estimated that renewals of licensure will result in fee revenue \$7,500 (15 x \$500).
- According to the Department, it will be required to create rules and regulations for this new licensing program; however, the Department will regulate such program similar to other types of limited lines insurance and can perform any additional tasks within existing resources. Any cost will not be significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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